

Dr. Gail Morrison Interim Executive Director

### November 27, 2006

To: Mr. Daniel Ravenel, Chair, and Members of the Committee on Finance & Facilities

**FROM:** Ms. Lynn W. Metcalf, Director of Finance, Facilities, & MIS

**SUBJECT:** Committee Meeting, December 6

A meeting of the Committee is scheduled to be held in the Commission's Conference Room at 3:00 p.m. on Wednesday, December 6. Attached are an agenda and materials for the meeting.

If you have any questions about the materials, please contact me at (803) 737-2265. We look forward to meeting with you on December 6.

Attachments

#### AGENDA

Committee on Finance & Facilities
December 6, 2006
3:00 p.m.
Conference Room
SC Commission on Higher Education
1333 Main Street, Suite 200

Columbia, SC 29201

- 1. Introductions
- 2. Minutes of November 1 Meeting
- 3. Presentation SC Manufacturing Extension Partnership, Mr. Tim Sinclair
- 4. Interim Capital Projects
  - A.) Clemson University

a. Golf Practice Facility
b. Fernow Street Café
-establish project
-establish project

B.) Medical University of South Carolina

a. Parking Garage II Structural Repairs -establish project

C.) Spartanburg Community College

a. Tyger River Campus AMTC Renovation -increase budget, revise scope, change source of

funds

- D.) Trident Technical College
  - a. Culinary Arts/Culinary Institute of Charleston Renovation (Palmer Campus)

-increase budget

- 5. Other Business
- 6. Information Items
  - a. List of Staff Approvals for October 2006

# MINUTES SOUTH CAROLINA COMMISSION ON HIGHER EDUCATION

Finance and Facilities Committee Meeting November 1, 2006 4:00 p.m.

**CHE Conference Room** 

Committee Members PresentMr. Walter HardinDr. Doug Forbes (via phone)Mr. Craig HessDr. Louis LynnDr. Sally HornerMr. Dan RavenelMr. Charles JeffcoatMr. Jim SandersMr. Scott LudlowMr. John McEntireCommittee Members AbsentMs. Beth McInnis

Mr. Ken Wingate
Mr. Neal Workman
Mr. Steve Osborne
Ms. Jennifer Pearce
Guests Present
Mr. Charles Shawye

Guests PresentMr. Charles ShawverMr. Fred BausDr. Richard WeldonMr. Jeff Beaver

Mr. Clarence Bonnette
Mr. Bill Bragdon
Ms. Julie Carullo
Ms. Kathy Coleman
Ms. Donna Collins
Ms. Alyson Goff
Mr. Al Cope
Ms. Lynn Metcalf

For the record, notification of the meeting was made to the public as required by the Freedom of Information Act.

Mr. Ravenel called the meeting to order at 4:20 p.m.

Mr. Glenn introduced the guests in attendance. The following matters were considered:

# I. Approval of Minutes of Meeting on August 3, 2006

Since there were no additions or corrections to the Minutes of the meeting on August 3, the Minutes were approved as written.

### II. Consideration of Interim Capital Projects

Mr. Ravenel asked Ms. Metcalf to describe the projects. Ms. Metcalf noted institutional representatives were present to answer questions. The following projects were presented and discussed:

a. Clemson University

1.) Biosciences/Life Science Building
Design & Construction

\$50,000,000 -establish project

Ms. Metcalf stated the project was the institution's third priority in its 2006 Comprehensive Permanent Improvement Plan (CPIP). Mr. Sanders asked if this was the facility the Commissioners toured during their recent visit to the campus. Ms. Coleman, from Clemson University, stated the tour included the space that is currently utilized as lab and research space. The goal of the project is to move the academic programs to the new facility. Mr. Ravenel asked how the old facility would be utilized. Ms. Coleman stated the space cannot be renovated for lab space so the institution would most likely use it for office space.

Dr. Forbes asked how the project ranked on the Commission's priority list for capital improvement bonds (CIB). Ms. Metcalf replied the Commission only recommended the first priority of each institution. Dr. Forbes asked why the project was now such an urgent priority for the institution. Ms. Coleman replied all projects listed in Year 2 of the CPIP were priorities for the institution. The institution stated in its CPIP that if CIB funds did not become available, it would pursue the project using institution bonds. She noted the academic programs to be located in the facility were growing rapidly.

Dr. Forbes stated he was not in favor of the project. Mr. Sanders asked him to explain his concerns. Dr. Forbes asked why the project was now a priority of the institution. Ms. Metcalf stated the project was intended to replace the current facility as it is inadequate in size. She also noted the University had requested CIB funds for the project previously.

It was <u>moved</u> (Lynn), <u>seconded</u> (Sanders), and <u>voted</u> to approve the project. One opposition (Forbes) was recorded.

2.) Information Technology Facility (A&E only)

\$ 1,000,000 -establish project

Ms. Metcalf stated the project would provide more convenient, adequate, and updated space for the Information Technology Department.

3.) Sirrine Hall 4<sup>th</sup> Floor HVAC

\$ 720,000 -establish project

Ms. Metcalf stated the project did not qualify as a routine repair, replacement, and maintenance project as the HVAC system was new rather than a replacement. Dr. Forbes asked what the economic life of the building was since the facility was built in 1939. Mr. McEntire from Clemson University stated the facility was in very good shape, and the institution expected to have several more years of useful life provided the facility can be maintained properly. Mr. Ravenel asked if any other renovations were planned at this time. Mr. McEntire answered that none were currently planned. He noted the facility was originally built to hold textile equipment. Dr. Lynn also noted the same, stating the facility was a historic site.

4.) Calhoun Courts – Chill Water Lines
Replacement/Fire Suppression

\$ 2,000,000 -increase budget, revise scope

Ms. Metcalf stated the University had been addressing these life-safety issues for awhile. This is the third phase of the project. Dr. Forbes asked what the economic life of the building was. Mr. McEntire stated the facility was built in the 1980s and was in fairly good condition. The institution expected the facility to exceed its 50-year life expectancy provided the facility can be maintained properly. Mr. Sanders asked how many apartment units were in the facility. Mr. McEntire estimated there were six to eight apartments on each floor of the two-story buildings. Mr. Ravenel stated the institution would benefit greatly by being allowed to proceed with the final phase of the project.

# b. College of Charleston

1.) Science Center Renovation & Construction \$33,499,001 -increase budget

Ms. Metcalf stated the College received \$4 million in the 2000 bond bill and has requested additional CIB funds to complete the project every year since. The project has also received over \$10 million in federal funds. However, the federal funds must be spent by September 2008 or the funds will be forfeited. The institution plans to issue bond anticipation notes in hopes of receiving CIB funds in the upcoming budget cycle. If not, the notes would be financed as long-term institution bonds. Ms. Metcalf noted the Commission ranked the project third on its priority list for CIB funds.

Dr. Lynn asked if the programmatic needs had changed since the initial building conception. Mr. Osborne from the College of Charleston stated the needs remained as well as the total square footage needed. Mr. Sanders asked if the total budget cost had increased significantly since initial conception. Mr. Shawver of the Budget & Control Board stated the institution had initially presented a \$40 million budget for approval. He said the current total budget is expected since it has been over six years since conception.

#### c. Lander University

1.) Campus Entrance Construction from Calhoun Avenue

\$ 634,340 -establish project

Ms. Metcalf stated the institution had previously done work on its campus entrance. However, the entrance was still being associated with a tavern and medical office building. She stated the University had received a Department of Transportation grant which would partially fund the project.

Dr. Forbes asked why the work was not included in a previous entrance project. Ms. Newton, from Lander University, stated that once the first project was completed, the institution realized the entrance was inadequate. Several trustees and community members asked the institution to create a better sign to mark the campus's entrance.

Dr. Forbes asked Ms. Metcalf if she felt comfortable with approving the project. She stated she was because it would benefit the institution by having a clearly distinguishable entrance.

d. University of South Carolina Columbia

1.) Baseball Stadium Construction

\$7,500,000 -increase budget, revise scope

Ms. Metcalf stated the University needed to change the scope of the project to reflect the new location of the baseball stadium. She noted this land was not a part of the institution's Master Land Acquisition Plan approved by the Commission in September 2006 as the University was involved in negotiations and did not want to jeopardize its ability to obtain a fair purchase price.

Dr. Lynn asked what the location of the stadium was in relation to the institution's plans for the Innovista. Mr. Jeffcoat, from USC Columbia, stated there was no intention to move any academic programs to the area surrounding the baseball stadium. He noted the previous site for the stadium did not work due to logistical issues.

Mr. Sanders asked how all of the projects discussed would affect the state's bonding raters. Mr. Shawver stated that facilities are generally supported by tuition and fees and athletic revenues. Institutions have to prove to the raters they can support the debt associated with the projects. Mr. Shawver said he could not answer with certainty, but he believed higher education capital projects had a minimal affect on the state's credit rating.

Mr. Sanders noted that if a bond bill did not become available during the upcoming budget cycle, the only way institutions could fund their capital projects would be to provide the funds internally, which usually means students pay the bill through their tuition and fees.

It was moved (Sanders), seconded (Lynn), and voted to approve the projects.

#### III. Leases

Mr. Ravenel asked Ms. Metcalf to describe the leases. Ms. Metcalf noted institutional representatives were present to answer questions. The following leases were presented and discussed:

a. Clemson University

1.) Information Systems Development

\$217,000-\$231,000 -lease renewal, amendment

Ms. Metcalf stated the lease did not actually need Commission approval as it is a self-supporting auxiliary. However, in the past, the Commission did approve this lease, so Ms. Metcalf decided to bring it to the Committee.

The Committee decided to approve it without objection as it determined no official vote was necessary.

b. Medical University of South Carolina

1.) 135 Cannon Street

\$4,312,751

-lease renewal

Mr. Ravenel noted he was familiar with the facility and stated it seemed a useable space for the institution. Mr. Sanders asked if the lease had an option to buy. Mr. Shawver stated the institution

was subleasing the space from University Medical Associates (UMA) who did have an option to purchase the facility. He noted the price was too high to be considered a viable option for the institution.

Dr. Lynn asked if it would be possible to get more information on leases that come to the Committee for approval. Ms. Metcalf stated it might be possible, but she noted the Commission has no statutory authority to approve leases. However, the Budget & Control Board will not consider leases until the Commission has approved the programmatic needs for leasing the space.

2.) McClennan Banks, Fourth Floor

\$ 428,400

-new lease

Dr. Lynn asked who the landlord of the space was. Ms. Pearce, from the Medical University of South Carolina, stated the space was leased from UMA, and every tenant in the facility was leasing from UMA. Mr. Ravenel noted the hospital was separate from the institution.

It was moved (Lynn), seconded (Sanders), and voted to approve the leases.

### **IV.** Other Business

Ms. Metcalf provided the Committee with an update on staff action regarding CHE recommendations to improve the facilities review process. She stated she had a meeting scheduled with the Budget & Control Board staff for November 16. She also noted the proposed staff action plan had been discussed with the Facilities Advisory Committee which is comprised of institutional facilities officers. Ms. Metcalf stated the staff continues to work with the members to develop specific language for code changes where necessary.

Ms. Metcalf discussed the status of each recommendation. She noted on the second recommendation [Routine repair, replacement, and maintenance project approval] that the staff was still reviewing the exact language to be presented to the Budget & Control Board staff.

On the third recommendation [Planning through design development], Dr. Lynn asked for clarification of what approval authority the Committee was releasing. Mr. Sanders responded the institutions would be allowed to complete architectural and engineering and design development before approaching the Committee for project approval. He stated this would reduce the number of interim budget increases the Committee reviews and approves. Also, it would give institutions and the Commission a better understanding of total budget costs. Mr. Ravenel stated it would reduce the approval timeline and increase efficiency.

On recommendation five [Deferred maintenance plans], Dr. Lynn asked why the Committee would give consideration to new projects when an institution's deferred maintenance was not under control. Mr. Ravenel responded that not all deferred maintenance is by choice. He stated several institutions had developed plans to reduce their backlog. Ms. Metcalf also noted new facilities can eliminate some of an institution's deferred maintenance.

On recommendation six [Alternative construction delivery methods], Dr. Lynn stated the Committee should support alternative construction delivery systems and look at the state's regional neighbors for successful models.

Mr. Ravenel asked the Committee for nominations for Vice Chair. Dr. Lynn <u>nominated</u> Mr. Sanders, and Dr. Forbes <u>seconded</u> the motion. It was <u>voted</u> to elect Mr. Sanders as the Vice Chair of the Finance & Facilities Committee.

Mr. Ravenel noted the interim staff approvals for permanent improvement projects were provided to the Committee as information. He also noted the draft meeting schedule for 2007 was attached. Ms. Metcalf stated the schedule was changing so that the Committee would review interim capital projects one month prior to Commission review. She stated this would put the Committee in line with established Commission policies and procedures.

With no further business, the meeting was adjourned at 5:40 p.m.

Respectfully submitted,

Alyson M. Goff Recorder

<sup>\*</sup>Attachments are not included in this mailing, but will be filed with the permanent record of these minutes and are available for review upon request.

# **Description of Interim Capital Projects for Consideration**

December 6, 2006

**Clemson University** 

Golf Practice Facility \$693,500 -establish project

Source of Funds: \$693,500 -private funds

Proposed Budget: \$580,000 -site development (demolish)

58,500 -contingency

35,000 -professional services fees

20,000 -labor costs

Total: \$693,500

#### Description

The University requests approval to establish a project to provide facilities similar to other NCAA golf programs at peer institutions. Facilities of this type are essential for the University to continue to be competitive with golf programs at like institutions.

The approval request is for Phase I and II of the project with a third phase to be funded at a later date. Phase I of the project will include construction of two United States Golf Association specification golf greens, adjacent bunkers, tee box area, associated storm drainage, and irrigation systems to serve the newly constructed area. Phase II will include the expansion of the area completed in Phase I to include a range area, tee box area, four target greens, sand bunkers, storm drainage, and irrigation system to serve the area constructed under this phase.

The project is being funded with private funds. A guarantee letter is on file at CHE.

## *E&G Deferred Maintenance Reduction:*

*N/A – Auxiliary Space* 

#### Annual Operating Costs/Savings:

Athletic operations will require additional operating costs ranging from \$7,500 to \$10,000 in the three years following project completion. The costs will be absorbed into the existing budget.

#### Recommendation

Staff <u>recommends</u> approval of this project as proposed.

# **Clemson University**

Fernow Street Café \$1,232,223 -establish project

Source of Funds: \$1,232,223 -dining services revenue

Proposed Budget: \$ 615,765 -new construction (1,800 GSF)

207,150 -interior building renovations (3,600 GSF)

180,000 -equipment and/or materials

100,000 -contingency

79,108 -professional services fees

20,000 -landscaping 16,000 -site development

8,000 -labor costs

5,000 -regulatory inspection

Total: \$1,232,223

# **Description**

The University requests approval to establish a project to renovate Fernow Street Café. Significant utilization increases by faculty, staff, and students necessitate renovation and expansion. The project plans include adding approximately 1,600 square feet to accommodate the kitchen expansion necessary to house additional equipment as well as an additional seating area.

The facility was built in 1992 and is a 4,533 square foot steel-frame, single-story building. The exterior is metal stud framing with brick veneer. The café was constructed on a slab grade with a build up roof system. It contains a full-service kitchen with dining area and restrooms.

New construction space is 1,800 GSF with a cost per square foot of \$342. Renovated space is 3,600 GSF with a cost per square foot of \$58.

#### *E&G Deferred Maintenance Reduction:*

N/A – Auxiliary Space

#### Annual Operating Costs/Savings:

Operation and maintenance will require additional operating costs ranging from \$5,000 to \$6,615 in the three years following project completion. The costs will be absorbed into the existing budget.

#### Recommendation

Staff recommends approval of this project as proposed.

**Medical University of South Carolina** 

Parking Garage II Structural Repairs \$1,250,000 -establish project

Source of Funds: \$1,250,000 -parking revenue

Proposed Budget: \$1,050,000 -utilities renovation/replacement

100,000 -contingency

100,000 -professional services fees

Total: \$1,250,000

# **Description**

The University requests approval to establish a project to repair a pre-stressed concrete parking garage built in 1988 which is located along President Street. Presently, it consists of 934 parking spaces and primarily services faculty and staff. A structural consultant assisted the institution in assessing the condition of the structure to identify trouble spots and provide the conceptual project scope of work and cost estimate.

The ties that connect the double tees have failed. Concrete is breaking at the joints of the drive aisles, and the slabs are moving from the weight of the cars. Damages also include spalled concrete and cracking on the panel edges. The project will repair these damages to maintain the structural integrity of the parking facility.

# <u>E&G Deferred Maintenance Reduction:</u>

N/A – Auxiliary Space

### Annual Operating Costs/Savings:

The project is not expected to generate additional operating costs at this time.

#### Recommendation

Staff recommends approval of this project as proposed.

**Spartanburg Community College** 

Tyger River Campus AMTC Renovation \$2,735,497 -increase budget, revise scope, change

(Previous budget = \$264,503) source of funds

Source of Funds: \$2,735,497 -private funds

Proposed Budget: \$2,400,000 -interior building renovations (114,712 GSF)

300,000 -professional services fees

300,000 -contingency

Total: \$3,000,000

# Description

The College requests to increase the budget and revise the project scope to allow for major renovations to a facility which will be used as a Continuing Education Automated Manufacturing

Technology Training Center (AMTC). The institution received a \$3 million gift from a local company for the project. The Center will be used for special training for the local company and other related industries.

The College acquired the former One Price Clothing office/warehouse facility on Highway 290 in Duncan, SC in December 2005. Given the size of the facility (114,712 GSF), the institution will need to renovate the facility in a number of phases based on funds that are made available annually.

The project renovation cost per square foot (\$21/SF) is low due to a major portion of the renovation requiring only cleaning and painting with a small amount of space requiring some wall changes, paint, and carpet.

If the private funds do not become available, the College will not proceed with the project. A guarantee letter is on file at CHE.

#### *E&G Deferred Maintenance Reduction:*

N/A

#### Annual Operating Costs/Savings:

Janitorial, utilities, maintenance, and security will require additional operating costs ranging from \$35,000 to \$80,000 in the three years following project completion. The costs will be absorbed into the existing budget.

#### Recommendation

Staff <u>recommends</u> approval of this project as proposed, pending approval by the State Board for Technical and Comprehensive Education (SBTCE).

#### **Trident Technical College**

Culinary Arts/Culinary Institute of \$2,375,000 -increase budget

Charleston Renovation (Palmer Campus)

(Previous Budget = \$7,125,000)

Source of Funds: \$2,375,000 -local funds

Proposed Budget: \$4,762,119 -interior building renovations (19,165 GSF)

2,518,431 -equipment and/or materials 900,000 -professional services fees 766,580 -new construction (3,085 GSF)

552,870 -contingency

Total: \$9,500,000

#### Description

The College requests to increase the project budget due to increased construction costs. The original, preliminary estimate was made in 2002 before the design began. Now the design is complete, and a cost estimate has been completed in detail by the design team. Construction costs have increased significantly during the past few years. The scope of the project has not changed

except that the ratio of the renovation to new construction space was adjusted to keep project costs down.

New construction space is 3,085 GSF with a cost per square foot of \$249. Renovated space is 19,165 GSF with a cost per square foot of \$249.

### *E&G Deferred Maintenance Reduction:*

N/A

# Annual Operating Costs/Savings:

Utilities and custodial services will require additional operating costs ranging from \$2,350 to \$9,400 in the three years following project completion. The costs will be absorbed into the existing budget.

## Recommendation

Staff <u>recommends</u> approval of this project as proposed, pending approval by the State Board for Technical and Comprehensive Education (SBTCE).

# **Information Item**

PERMANENT IMPROVEMENT PROJECTS								
APPROVED BY STAFF								
October 2006								
Date Appr.	Project #	Institution	Project Name	Action Category	Buc	lget Chg.	Rev	rised Budget
			Charleston Architectural Center	revise scope, change project				
10/6/2006	9774	Clemson	(A&E/Renovation/Land & Building)	name	\$	-	\$	6,891,388
			Boiler No. 4 Emissions Control Equipment					
10/6/2006		Clemson	Upgrade	increase budget	\$	400,000	\$	3,200,000
10/6/2006		Coastal Carolina	Coastal Science Center Renovation	increase budget, close project	\$	12,069	\$	2,543,069
10/6/2006	9600	College of Charleston	McConnell Residence Hall Renovation <sup>1</sup>	increase budget	\$	1,250,000	\$	4,715,000
			Historic Houses Interior & Exterior Repairs &					
10/6/2006	9625	College of Charleston	Upgrades <sup>1</sup>	increase budget	\$	650,000	\$	1,545,000
			Rutledge/Buist Residence Hall Renovation-		١.			
10/6/2006		College of Charleston	Phase II <sup>1</sup>	increase budget	\$	1,650,000	\$	4,470,000
10/6/2006		College of Charleston	Science Center Renovation <sup>2</sup>	increase budget	\$	3,718,999	\$	14,500,999
10/6/2006	New	MTC	Lexington Hall Addition <sup>3</sup>	establish project	\$	-	\$	1,000,000
10/13/2006	9974	USC Columbia	LeGare/Pinckney Roof Repair/Replacement	decrease budget, close project	\$	(2,795)	\$	157,205
10/13/2006	9963	USC Columbia	Columbia Hall Renovations	decrease budget, close project	\$	(32,605)	\$	292,395
10/13/2006	9962	USC Columbia	Senate Street Garage Entry Relocation	decrease budget, close project	\$	(2,112)	\$	305,888
10/13/2006	9985	USC Columbia	Rutledge College Roof Repair/Replacement	decrease budget, close project	\$	(134,400)	\$	4,465,600
10/13/2006	9984	USC Columbia	DeSaussure College Roof Repair/Replacement	decrease budget, close project	\$	(77,687)	\$	92,313
10/13/2006	New	Clemson	Redfern Health Center Expansion (A&E Only)	establish project	\$	-	\$	200,000
10/13/2006	9839	Clemson	Core Campus New Residence Hall Construction (A&E)	increase budget, revise scope	\$	41,000	\$	461,000
10/16/2006	9942	остс	Administration & Health Sciences Buildings HVAC Upgrades	increase budget	\$	40,000	\$	145,625
10/16/2006	New	ОСТС	Automotive Training & Transportation Building (A&E)	establish project	\$	-	\$	225,000
			Rowing Facility Construction (A&E &					
10/16/2006		Clemson	Construction)	increase budget, revise scope	\$	45,000	\$	1,945,000
10/24/2006		Coastal Carolina	Student Center Deferred Maintenance	change source of funds	\$	-	\$	1,100,480
10/24/2006	New	Coastal Carolina	Waties Island Research Facility - A&E	establish project	\$	-	\$	150,000
10/30/2006	9540	USC Aiken	Pacer Commons Acquisition	decrease budget, close project	\$	(200,000)	\$	12,700,000
<sup>1</sup> Routine repair re	nlacement	& maintenance projects	are approved at staff level		1			
<sup>1</sup> Routine repair, replacement, & maintenance projects are approved at staff level. <sup>2</sup> Staff provided with authority to approve project. Increase reflects receipt of federal funds, which notification had previously been provided to Committee.								
<sup>2</sup> Funds were appropriated by the General Assembly for FY2006-07.								
runus were appropriated by the General Assembly for F12006-07.								